and the items which are helpful for the manufacture of export-oriented products; and

(d) the export boosts which are expected from the above export linked import transactions?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) and (b) Yes, Sir. The Government is already allowing export linked import to promote exports. Under the Import and Export Policy, the imported inputs are allowed by way of import replenishment as the percentage of FOB value of exports and duty free import under Duty Exemption and Import and Export Pass Book Schemes. Besides, import of rough diamonds, gold and silver are also permitted for export of value added products.

(c) and (d) The details of the above said schemes are given in import and Export Policy, 1988-91 (Volume-1).

Trade deficit and depreciation in the value of rupee

2454. DR. G. VIJAYA MOHAN REDDY:
DR. (SHRIMATI) SAROJINI MAHISHI:

Will the Minister of FINANCE be pleased to state:

(a) what is the trade deficit in the first quarter of 1988-89 as compared to the same period of 1987-88; and

(b) whether there is also a steady depreciation of value of rupee compared with other currencies and if so, how do Government propose to counter act the above two maladies in our economy?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The provisional trade data indicates the trade deficit of Rs. 2074 crores in the first quarter of 1988-89 as against Rs. 1396 crores in the corresponding period of last year.

(b) The exchange rate of the rupee is fixed with reference to the exchange rate movement of a suitably weighted basket of currencies. In a regime of floating exchange rates, upward or downward movements of the value of rupee, which depends upon the fluctuations in the value of these currencies, is a normal phenomenon.

Special Action Plan drawn by the Government for balance of payments turn-around aims inter-alia at measures to generate additional exports and contain imports and thereby reduce the trade deficit in the current year.

Fraud in RBI at Bhubaneswar

2455. SHRI BASUDEB MOHAPATRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that lakhs of rupees have been defrauded in the Reserve Bank of India at its Bhubaneswar Branch Orissa;

(b) if so, what action has been taken in the matter; and

(c) what is the total amount involved in alleged fraud?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) The Reserve Bank of India has reported that in February, 1988, their Bhubaneswar Office had come across mutilated notes of Rs. 100/- denomination passed for payment at the office. The mutilations were of suspicious nature. In July, 1988 also the above office had come across several notes of Rs. 100/- denomination with punch marks already on